

Message Text

CONFIDENTIAL

PAGE 01 TOKYO 14431 01 OF 02 100906Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----024529 100910Z /11
O 100852Z AUG 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC IMMEDIATE 0272

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 14431

EXDIS

FOR ASSISTANT SECRETARY HOLBROOKE FROM THE AMBASSADOR

E.O. 11652: GDS
TAGS: JA, US, MARR
SUBJECT: LABOR COST REVISION IN DEFENSE APPROPRIATIONS
- BILL

I WOULD APPRECIATE IT IF YOU WOULD PASS THE FOLLOWING
MESSAGE FROM ME TO REPRESENTATIVE GEORGE MAHON AND TO
SENATORS JOHN STENNIS, DAN INOUE, WARREN MAGNUSON, BILL
PROXMIRE AND TOM EAGLETON:

BEGIN QUOTE. "DEAR - . I HAVE BEEN FOLLOWING CLOSELY
CONGRESSIONAL ACTION ON THE DEFENSE APPROPRIATIONS BILL
FOR VARIOUS REASONS, INCLUDING OF COURSE THE MESSAGES IT
WILL CONVEY IN REGARD TO OUR NATION'S DETERMINATION TO
REMAIN A STABILIZING FORCE IN ASIA AND THE PACIFIC -- I
BELIEVE MY VIEWS IN THIS REGARD ARE PRETTY WELL KNOWN.
WHILE I AM NOT UP ON ALL THE DETAIL, I HAVE THE IMPRESSION
THAT ON THIS SCORE CONGRESSIONAL ACTION IS LIKELY TO BE
MOST HELPFUL.

"ONE PROVISION, HOWEVER, CAUSES ME GREAT CONCERN, SECTION
862, WHICH PROVIDES THAT FUNDS SHOULD NOT BE APPROPRIATED
FOR LOCAL EMPLOYEES OF OUR FORCES IN EXCESS OF PREVAILING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 14431 01 OF 02 100906Z

PAY RATES AND PRACTICES. AS A MATTER OF PRINCIPLE, ONE
CANNOT TAKE EXCEPTION TO SUCH A PROVISION, BUT THE CIRCUM-
STANCES IN JAPAN ARE SUCH THAT IT IS LIKELY TO HAVE THE
OPPOSITE EFFECT OF THAT INTENDED. RATHER THAN ENHANCE A
SPIRIT OF MUTUAL COOPERATION AND BURDEN SHARING, IT IS
LIKELY TO DESTROY THE CHANCES OF OBTAINING ADDITIONAL
DEFENSE BUDGET SUPPORT FROM THE JAPANESE GOVERNMENT IN THE

COMING YEAR, AND COULD WELL LEAD TO PROLONGED, ACRIMONIOUS LABOR STRIFE.

"STARTING ABOUT THREE YEARS AGO, THIS EMBASSY AND US FORCES JAPAN, WORKING CLOSELY TOGETHER, INITIATED A MAJOR EFFORT TO OBTAIN ADDITIONAL HELP FROM THE JAPANESE FOR OUR RAPIDLY RISING LOCAL LABOR COSTS. WE FORCEFULLY BROUGHT HOME TO OUR JAPANESE FRIENDS THOSE INSTANCES IN WHICH OUR PAY PRACTICES WERE IN EXCESS OF THE COMMON STANDARD HERE. WHILE WE HAVE HAD A GOOD DEAL OF UNDERSTANDING WITHIN THE JAPANESE GOVERNMENT FROM THE PRIME MINISTER ON DOWN FOR OUR FINANCIAL DIFFICULTIES, AND DETERMINATION TO DO SOMETHING ABOUT THEM, THERE HAVE BEEN FORMIDABLE OBSTACLES TO OVERCOME IN THE WAY OF LEGAL INTERPRETATIONS AND PRECEDENT-SETTING POLICY STATEMENTS. IN THE CIRCUMSTANCES, I WAS MOST GRATIFIED WHEN WE REACHED AGREEMENT LAST DECEMBER, WHEREBY THE JAPANESE TOOK OVER WHAT WILL AMOUNT TO OVER \$30 MILLION IN LABOR COSTS FOR THE CURRENT FISCAL YEAR, AN AMOUNT THAT WILL INCREASE ANNUALLY IN THE FUTURE. THIS WAS NOWHERE NEAR WHAT WE HAD HOPED FOR, BUT IT WAS A MAJOR BREAKTHROUGH, ESPECIALLY CONSIDERING THE FACT THAT THERE WAS NO LEGAL OBLIGATION FOR JAPAN TO TAKE THIS ON, AND THE JAPANESE ARE ALREADY SPENDING \$585 MILLION A YEAR IN DIRECT AND INDIRECT SUPPORT OF OUR FORCES.

"SINCE THIS AGREEMENT WAS SIGNED, WE HAVE BEEN WORKING HARD
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TOKYO 14431 01 OF 02 100906Z

TO BUILD ON IT AS A BASIS FOR MORE ASSISTANCE, NOT ONLY IN THE LABOR FIELD BUT IN SECURING BETTER HOUSING FOR OUR FORCES AND MUCH NEEDED FACILITIES FOR OUR OPERATIONS. THE FOREIGN MINISTER AND DEFENSE MINISTER ARE ON OUR SIDE, AND, WHILE THE JAPANESE GOVERNMENT HAS A LONG WAYS TO GO IN WORKING CONCRETE PROPOSALS THROUGH THE BUREAUCRACY AND THE DIET AND IS, THEREFORE, NOT IN POSITION AS YET TO MAKE ANY FIRM COMMITMENTS, I HAVE EVERY REASON TO BELIEVE SUBSTANTIALLY GREATER HELP WILL BE FORTHCOMING IN NEXT YEAR'S BUDGET.

"ONE THING IS CLEAR, HOWEVER: THE JAPANESE DO NOT RESPOND WELL TO OUTSIDE PRESSURE IN A MATTER SUCH AS THIS WHERE NATIONAL PRIDE IS ENGAGED AND THE ACTIONS THE GOVERNMENT PROPOSES TO TAKE ARE ENTIRELY VOLUNTARY.

"IN MY VIEW, THIS SHOULD BE SUFFICIENT REASON BY ITSELF TO DROP THE PROVISION. IN ADDITION, WE WILL HAVE TO CONTEND WITH THE STRONG POSSIBILITY THAT OUR LOCAL LABOR FORCE, FACED WITH A CUT-BACK IN PAY OR WHAT AMOUNTS TO A ONE-SIDED REVISION OF THE INDIRECT-HIRE ARRANGEMENT WE HAVE WITH THE JAPANESE GOVERNMENT FOR THEIR EMPLOYMENT, WOULD FEEL COMPELLED TO EXPRESS THEIR DISCONTENT IN WAYS INIMICAL TO THE

SMOOTH OPERATION OF OUR FACILITIES. LEAVING ASIDE THE FAIR-
LY COMPLICATED LEGAL QUESTIONS ENTAILED, THEY WOULD, WITH
SOME JUSTIFICATION, FEEL THAT THE SUDDEN CHANGE IN EMPLOY-
MENT PRACTICES THAT HAVE PREVAILED FOR 20 TO 30 YEARS WAS
A FORM OF BETRAYAL -- ALL THE MORE SO IN THE CONTEXT OF
TRADITIONAL JAPANESE EMPLOYER-EMPLOYEE LOYALTY.

"I KNOW THERE IS A GOOD DEAL OF FRUSTRATION WITH RISING

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 TOKYO 14431 02 OF 02 100908Z
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
-----024561 100910Z /11
O 100852Z AUG 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC IMMEDIATE 0273

C O N F I D E N T I A L SECTION 02 OF 02 TOKYO 14431

EXDIS

FOR ASSISTANT SECRETARY HOLBROOKE FROM THE AMBASSADOR

OVERSEAS COSTS, AGGRAVATED BY THE DEPRECIATION OF THE
DOLLAR. WE SHOULD NOT FORGET, HOWEVER, THAT JAPAN IS
ALREADY SPENDING MORE ON OUR BEHALF THAN GERMANY, WHERE
WE HAVE FOUR TIMES THE NUMBER OF FORCES. MOREOVER, WHILE
JAPAN'S DEFENSE EXPENDITURES MAY CONSTITUTE A RELATIVELY
SMALLER PROPORTION OF ITS BUDGET AND GNP THAN THOSE OF SOME
OF OUR OTHER ALLIES, IT NEVERTHELESS RANKS NUMBER 7 IN THE
WORLD IN DEFENSE SPENDING, WHICH HAS BEEN RAISED FROM
6.1 BILLION IN 1977 TO 10 BILLION FOR 1978. IT HAS ALSO
BEEN MOVING INTO PROCUREMENT OF SOME IMPORTANT NEW SYSTEMS
SUCH AS THE F-15, P-3C, AND EC-2. IN OTHER WORDS, THE
TRENDS ARE ALL IN THE RIGHT DIRECTION, AND YOU CAN REST
ASSURED THAT I WILL DO ALL THAT I CAN TO KEEP IT THAT WAY.

"I HAVE HESITATED TO COMMUNICATE WITH YOU THIS WAY,
ESPECIALLY INASMUCH AS I AM IN FULL SYMPATHY WITH THE
MOTIVES BEHIND SECTION 862; I WOULD NOT DO SO WERE I NOT
SINCERELY CONVINCED THAT IN JAPAN, AT LEAST, THE PROVISION
WOULD BE TO OUR DISADVANTAGE. I HOPE, THEREFORE, IT CAN BE
DROPPED FROM THE FINAL BILL TO GIVE US A CHANCE QUIETLY TO

TRY TO WORK OUT FURTHER BUDGET RELIEF.

"WITH BEST WISHES, SINCERELY, MIKE MANSFIELD".

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 14431 02 OF 02 100908Z

MANSFIELD

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR, COSTS, MILITARY BUDGET, APPROPRIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 aug 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TOKYO14431
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780327-0476
Format: TEL
From: TOKYO
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780876/aaaacslsh.tel
Line Count: 180
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 12b85b65-c288-dd11-92da-001cc4696bcc
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1774300
Secure: OPEN
Status: NATIVE
Subject: LABOR COST REVISION IN DEFENSE APPROPRIATIONS - BILL I WOULD APPRECIATE IT IF YOU WOULD PASS THE FOLLOW
TAGS: MARR, JA, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/12b85b65-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014